UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER
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ART UNIT	PAPER NUMBER
3622	

DATE MAILED: 09/11/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 07-01)

Office Action Summary	Application No.	Applicant(s)
	09/888,439	LANDESMANN, MARK
	Examiner	Art Unit
	Khanh H. Le	3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _____ .

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-87 and 94-177_ is/are pending in the application.

   4a) Of the above claim(s) _See Continuation Sheet_ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-21, 94-111; 27-35, 17-125; 39-70, 129-160; 74-75, 164-165,_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☒ Claim(s) ~~22-26, 112-116; 36-38, 126-128; 71-73, 161-163; 76-87, 166-177.~~ are subject to restriction and/or election requirement.

Application Papers

9)☒ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

   Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

   If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

   a)☐ All b)☐ Some * c)☐ None of:

   1.☐ Certified copies of the priority documents have been received.

   2.☐ Certified copies of the priority documents have been received in Application No. _____ .

   3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

   * See the attached detailed Office action for a list of the certified copies not received.

14)☒ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

   a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _5, 10, 11_

4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: .

U.S. Patent and Trademark Office

Continuation of Disposition of Claims: Claims withdrawn from consideration are 22-26, 112-116, 36-38, 126-128; 71-73. 161-163; 76-87; 166-177.

DETAILED ACTION

1. This Office Action is responsive to the Application as originally filed, the preliminary Amendments received 10/30/01, 3/5/02, 5/24/02 (papers 2, 6, 9), the IDS received 1/29/02 (paper #5) , the petition and grant of petition on 5/01/02 (papers 7 and 8) .

Claims 1-193 were submitted;
Claims 88-93 and 178-193 have been cancelled as requested ;
claims 1-87, and 94-177 were pending;
claims 1-21, 27-35, 39-70,74-75, 94- 111,117-125, 129-160,164-165 will be examined after claims 80-87, 170-177;   76, 77-79, 166, 167-169; 22, 23-26, and parallel claims 112-116; 71-72, 73, and parallel claims161-162, 163; 36-38, and parallel claims 126-128 are withdrawn as discussed below.

Restriction

2.   This application contains claims directed to the following patentably distinct species of the claimed invention:

I .   Claims 1-21, 27-35, 39-70,74-75, 94- 111,117-125, 129-160,164-165, drawn to methods, system and/or apparatus for receiving from buyers third party proof of records , entering such information into an e-database, obtaining search criteria to search the database to obtain a group of buyers and providing incentives to such group, classifiable in class/subclass 705/14.

II.   Claims 80-87, 170-177 related to an interactive TV application ,classified in class/subclass 348/61 or 348/552.

III.   Claims 76, 77-79, and parallel claims 166, 167-169 related to scoring based on TV viewing habits, classifiable under 705/10.

IV.   Group IV: 22, 23-25, and parallel claims 112-116, scoring based on scoring based on weighted responses to questionnaires, classifiable in class 705/7 and/or 10.

V .   Claims 71-72, 73, and parallel claims161-162, 163; 36-38, and parallel claims 126-128 drawn to storing the scores on the user computer, classifiable in class/subclass 709/224.

3.   Applicant is required under 35 U.S.C. 121 to elect a single disclosed species for prosecution on the merits to which the claims shall be restricted if no generic claim is finally held to be allowable. Currently, Claims 1 , 94, 13 and 103 are generic.

Applicant is advised that a reply to this requirement must include an identification of the species that is elected consonant with this requirement, and a listing of all claims readable thereon, including any claims subsequently added. An argument that a claim is allowable or that all claims are generic is considered nonresponsive unless accompanied by an election.

Upon the allowance of a generic claim, applicant will be entitled to consideration of claims to additional species which are written in dependent form or otherwise include all the limitations of an allowed generic claim as provided by 37 CFR 1.141. If claims are added after the election, applicant must indicate which are readable upon the elected species. MPEP § 809.02(a).

4.   Should applicant traverse on the ground that the species are not patentably distinct, applicant should submit evidence or identify such evidence now of record showing the species to be obvious variants or clearly admit on the record that this is the case. In either instance, if the examiner finds one of the inventions unpatentable over the prior art, the evidence or admission may be used in a rejection under 35 U.S.C. 103(a) of the other invention.

5.   Applicant is reminded that upon the cancellation of claims to a non-elected invention, the inventorship must be amended in compliance with 37 CFR 1.48(b) if one or more of the currently named inventors is no longer an inventor of at least one claim remaining in the application. Any amendment of inventorship must be accompanied by a request under 37 CFR 1.48(b) and by the fee required under 37 CFR 1.17(i).

6. During a telephone conversation with Mr. Ellison on August 7, 2002, a provisional election was made without traverse to prosecute the invention of Species I, claims 1-21, 27-35, 39-70,74-75, 94- 111,117-125, 129-160,164-165. Affirmation of this election must be made by applicant in replying to this Office Action.

7. Claims 80-87, 170-177 ; 76, 77-79, and parallel claims 166, 167-169 ; 22, 23-25, and parallel claims 112-116; 71-72, 73, and parallel claims161-162, 163; 36-38, and parallel claims 126-128 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to non-elected inventions.

8. The inventions I and II are distinct, each from the other because:
      (1) the genus (invention I) as claimed does not require the particulars of the species as claimed for patentability, and (2) that the species (Invention II) has utility by itself or in other combinations (MPEP § 806.05(c)).
      In the instant case, the inventions of Group I as claimed does not require the particulars of the species II as claimed because "wherein the incentive reward is a reduction in a pay per view charge for a program being viewed at the same time as the ad"; monitoring the receiver of an interactive television to determine if an ad has been zapped; and providing an incentive based to the buyer entity if the ad has not been zapped with the incentive determined in accordance with at least one of the scores of the buyer entity;
are the particulars of the species which is not required in the combination invention of Group I for patentability .

Further, the Group II species features , such as cited above, have separate utility by themselves or in other combinations because all these features related to an interactive television application are extra features that are not required in the claims of Group I.

9.   The inventions I and III are distinct, each from the other because:
        (1) the genus (invention I) as claimed does not require the particulars of the species as claimed for patentability, and (2) that the species (Invention III) has utility by itself or in other combinations (MPEP § 806.05(c)).
        In the instant case, the inventions of Group I as claimed does not require the particulars of the species III as claimed because
recalculating at least one score for a buyer entity for one of the categories based on information on the television viewing habits or the viewing of a particular television program by that buyer entity (claim 76; claims 77-79 are dependent on 76)) are the particulars of the species which is not required in the invention of Group I for patentability .
        Further, the Group III species features, such as cited above, have separate utility by themselves or in other combinations because all these features related claim 76 (main claim in Species III) are extra features that are not required in the claims of Group I.

10.   The inventions I and IV are distinct, each from the other because:
        (1) the genus (invention I) as claimed does not require the particulars of the species as claimed for patentability, and (2) that the species (Invention III) has utility by itself or in other combinations (MPEP § 806.05(c)).
        In the instant case, the inventions of Group I as claimed does not require the particulars of the species IV as claimed because
        weighting questions based on scores of said buyer entity; selecting questions, based, at least in part, on the weight given the question; sending questionnaires electronically to a plurality of said buyer entities; and receiving responses to the questionnaire from a plurality of said buyer entities; weighting said responses from at least one of said buyer entities; and recalculating at least one score for the at least one buyer entity based on said weighted responses (claim 22 =main claim of the species) are the particulars of the species which is not required in the invention of Group I for patentability . Further, the Group I V species features, such as cited above, have separate utility by themselves or in other combinations because all these features related claim 22 (main claim in Species IV) are extra features that are not required in the claims of Group I.

11.   The inventions I and V are distinct, each from the other because:
        (1) the genus (invention I) as claimed does not require the particulars of the species as claimed for patentability, and (2) that the species (Invention III) has utility by itself or in other combinations (MPEP § 806.05(c)).
 In the instant case, the inventions of Group I as claimed does not require the particulars of the species V as claimed because
 the categorization of purchases listed from a plurality of independent third parties in the proof of purchase records based on a set of categories;

calculating a separate score for a buyer entity in each of a plurality of categories based on the amount purchased by the buyer entity in the respective category; and recording at least one of said scores in a cookie on a buyer entity computer that may be accessed from a communications network by at least one merchant(claim 71)

storing at least one score for a buyer entity on a cookie at a computer for said buyer entity; a merchant accessing said cookie and obtaining said at least one score; said merchant correlating said accessed score to at least one item of content; and serving to the buyer entity said at least one item of content (claim 72).

storing at least one score for a buyer entity on a cookie at a computer for said buyer entity; and updating the score on said cookie with a recalculated score (claim 73)

storing electronically at least one score for a buyer entity at a computer for said buyer entity(claims 36- 38) are the particulars of the species which is not required in the invention of Group I for patentability.

Further, the Group V species features, such as cited above, have separate utility by themselves or in other combinations because all these features are extra features that are not required in the claims of Group I.

12.   Because these inventions are distinct for the reasons given above and the search required for Group II is not required for Group I, restriction for examination purposes as indicated is proper.

Objections to Specifications

13.   p. 24 last para. "referring to Fig 3" : there is no Figure 3. Appropriate correction needed.

Double Patenting

14.   A rejection based on double patenting of the "same invention" type finds its support in the language of 35 U.S.C. 101 which states that "whoever invents or discovers any new and useful process ... may obtain a patent therefor ..." (Emphasis added). Thus, the term "same invention," in this context, means an invention drawn to identical subject matter. See *Miller v. Eagle Mfg. Co.*, 151 U.S. 186 (1894); *In re Ockert*, 245 F.2d 467, 114 USPQ 330 (CCPA 1957); and *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970).

A statutory type (35 U.S.C. 101) double patenting rejection can be overcome by canceling or amending the conflicting claims so they are no longer coextensive in scope. The filing of a terminal disclaimer cannot overcome a double patenting rejection based upon 35 U.S.C. 101.

15.   Claim 1 is identical to inventions claimed in 2 other pending applications, 09/758,239, 09/837,377. This is a <u>provisional</u> double patenting rejection since the conflicting claims have not in fact been patented.

16.   Applicant is advised that other **non-statutory double patenting** issues are also raised with the remaining claims. To expedite examination, The Examiner would suggest the filing of terminal disclaimers as to all pending applications, including Application 10/095,534.

Claims Rejections. 35 USC 103

17.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

18.   Claims 1-21, 27-35, 39-70,74-75, 94- 111,117-125, 129-160,164-165 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker, US 6434534 , herein "Walker /534 in view of well-known data-mining/incentive targeting methods .

Walker discloses delivery of targeted incentives to a select group of customers , through all channels of communications, (col 9 l. 40-53) , with the incentives determined by scores calculated for the users based on past purchase histories including scores based on purchases of particular types of products (col 7-8) , monitoring of user performance as an indication of acceptance of the offer, (Fig 6 and associated text.; col 9 l. 40-67, monitoring transactions against performance target= if target exceeded , customer has accepted) , user preferences input accounted for (col 9,l. 1st paragraph). Implicit in Walker are steps of POP's database set-up, and searching according to marketing criteria. (Fig 2-6 and associated text) .

As such, Walker discloses at least claims 1- 6, 8-10, 12-14, 17, 18-19:

Further, it is obvious, Walker can be applied to other legal entities (claim 7) than individuals (claim 6) which it discloses, to extend the reach of the Walker's system to all buyers types.

As to claim 1, Walker discloses:
A method for buyer-driven targeting comprising the steps of:
separately receiving from each of a plurality of buyer entities a respective third party proof of purchase record; (abstract "accessing historical data associated w/ a financial account" , col 4 1. 40-48)
entering information contained in the received proof of purchase records into a searchable electronic database (Fig 3) ; obtaining search criteria for the database (col 8 table 1 "rule" column= search criteria) ; searching the information in the database based on the search criteria to obtain a group of buyer entities (Fig 6 and associated text) ; and providing an incentive to each of a plurality of the buyer entities in said group. (col 4 1. 15-37; col 3 1. 19-23; "system to define, manage, evaluate reward offers that are customized to specific account criteria" ; the steps of searching the database based on criteria in order to generate the customized offers are obvious in Walker.)

Applicant will note that Walker is sufficient to reject independent claim 1 .
However, Applicant has argued that the main feature of Applicant's invention is the voluntary submission of POP's by the buying entity though claim 1 as drafted does not properly convey that idea as "separately receiving from each …of buyer entities" reasonably can be interpreted as "receiving from different buyers' accounts " and does not necessarily rule out the gathering of purchase histories of "within the system itself", contrary to arguments made in the Petition to Make Special, e.g. at page 5, last line .

Applicant is required to make appropriate amendment to Claim 1 to properly reflect the invention as argued in the Petition to make Special, that is, purchase records are submitted directly by the buyer entity.

In as much as Claim 1 can be interpreted as urged by Applicant as including "voluntary and active submission of the POP's " by the buyer, claim 1 is rejected based on Walker/234 in view of well-known data-mining methods to define a target group to offer customized incentives.

I.   Securing voluntary submission of purchase histories by consumers in exchange for incentives is obvious

1) Actual purchasing histories are known valuable commodities to be sold for a price. Some companies, e.g. credit card companies, sell verifiable purchase histories for profits with the implicit consent of the consumer who have not opted out. (see e.g. "Double Click and protest articles" such as :

Privacy fears raised by DoubleClick database plans By <u>Courtney Macavinta</u>
January 25, 2000 , downloaded from <u>http://news.com.com/2100-1023-236092.html?tag=rn.</u>,
8/8/2002, discloses merging of on-line and off-line databases for targeted marketing, use of
cookies on user computers to record surfing habits and displaying ads)

Privacy Activists File DoubleClick Complaint ,by Keith Perine, the Industry Standard,
Feb 10, 2000 discloses protests of Abacus Direct monitoring tactics.

(Also see admitted art: p. 3 sections [0008], [0011] (directly from the customers)
p. 3 sections [0009], p. 4 section 0013 et seq. Re. Abacus Direct and DoubleClick ; p. 5
section [0018] and seq. re. American Express and bill presentment companies (implicit consent
of consumers to disclosure of purchase histories)

2) It has been argued (known) that such purchasing histories (POP's) are a property right
(privacy right) of the consumer, see e.g.

Data Mining : Staking a Claim on Your Privacy, January 1998, downloaded from
<u>http://www.ipc.on.ca/english/pubpres/papers/datamine.htm,</u> 8/0/02 discloses the use of verifiable
purchase histories in data mining and argues for explicit consent of buyers to their use.

3) Implicit in this "right" is the right to control, use or trade for a benefit. Some
consumers voluntarily provide private information if the benefit/ price is right. (see articles about
volunteering private information in exchange for direct benefits, such as

<u>Information technology and the privacy of the Individual, The Role of Privacy in Modern
Society</u>, by Dave Redell, Sep 23, 1992, downloaded from
<u>http://home.pacbell.net/webright/personal/acm.text,</u> downloaded 8/12/02, page 1, last para,;

also admitted art: p. 3 sections [0008], [0011] (directly from the customers)

4) It is further known that consumers can sell very private rights, such as attention and
time , to marketers for profits.

See e.g., Permission Marketing by Seth Godin , Simon and Schuster , copyright 1999,
chapter 10, hereinafter the "Godin article", discloses Internet case Studies of permission based
marketing schemes in exchange for rewards and targeted messages, including CyberGold (cash
for attention) , Yoyodyne, monitoring of purchases etc...

5) Thus it would have been obvious to the ordinarily skilled in the arts that some
customers would willingly submit their purchasing profiles to marketers, just as they are willing
to sell their time and attention to advertisers, if the price offered is right.

Thus it would have been obvious to the ordinarily skilled in the arts at invention time, to modify a system of monitoring POPs from 3rd parties, such as taught by Walker/234 or the likes and to set up a system whereby the consumer can submit or help submit POP's in exchange for rewards , such as claimed, to allay concerns about invasion of privacy such as described in the articles protesting the likes of Abacus Direct systems and to generate good will all the while serving the marketers' data mining interests.

(Indeed, permission-based marketing and the good will it engenders is well-known. See , e.g., the "Godin article", above,

Also, "Permission Marketing : the Way to make advertising work again (Interactive Marketing) (excerpt from "Permission marketing: Turning Strangers into Friends and Friends into Customers")   Dialog # 01777383, File # 570, by Hoke Communications Inc., May 1999, hereinafter, "the Dialog # 01777383, File # 570 article" which discloses the effectiveness of reward-based and permission-based customer participation in long term interactive marketing campaigns (whole document, esp. p. 2).

Setting up such a system as an on-line system, with appropriate monitoring techniques is further obvious for speed, efficiency and widespread access, as well known, and well within the capabilities of the ordinary skilled in the art at alleged invention time.

As to the rest of the claims, the following applies:

II. Segmenting the consumers for efficient targeted incentives delivery is known

(Walker /534 discloses incentives based on purchase histories involving many merchants sent to a select group of users satisfying search criteria; including demographic information. Claims 2,3 are rejected on this basis.

Claim 2. The method as defined in claim 1 , wherein the searching step results in the obtaining a group of buyer entities that meet the search criteria (In Walker, a number of account holders are identified as having charge volume below a certain min, see table 1, col 8; col 8 l. 53-55)) ; and wherein the providing an incentive step comprises providing an incentive to each of the buyer entities in the group (to those identified in Walker, an incentive is sent out).

Claim 3. The method as defined in claim 1, wherein the data base includes demographic information of each of a plurality of buyer entities (Walker , Fig 3, addresses; col 7 l. 58 et seq. to col 8 , e.g. annual income; also it is well known, and admitted that Golden et al 5761648 discloses submission of such as part of profiles)   .

a) **Scoring consumers for targeted marketing is old.** (e.g., see "Fleet financial banks on data warehouse, Target Marketing, Philadelphia, Nov 1998, which discloses segmenting a population based on combined modeling methods (p. 2 first full para.) in which the consumers are sorted (by scores, p. 1) as good/bad prospects for marketing mailings).

Walker/ 534discloses at col 7 and 8, scoring systems for evaluating consumers to deliver customized reward offers.

Thus one skilled in the arts would have known to score to segment a population of consumers for efficient targeted incentives delivery.

Thus based on the above discussion of prior art, as to the limitations discussed, Applicants' claims 1-13 are rejected, as to those limitations.

b) **Further scoring a consumer for segmentation purposes, based on a multitude of models (criteria, indicators) is known.**

(Fleet financial article; Walker /534 , col 7 and 8) .

Also see Bayesian Model Averaging: A Tutorial (with discussion) (306k bytes) Corrected version of the Statistical Science 14:4, 382-417 article.
Jennifer A. Hoeting, David Madigan, Adrian E. Raftery and Chris T. Volinsky, November 1999, downloaded Jul 22, 2002 from www.stat.washington.edu/www/research/online/hoeting1999, hereinafter "the BMA article". which , at pages 393-394, especially p. 394 col 1 first 2 full paragraphs, discloses combining several models and segmenting based on a resulting score for each population member. BM discloses that combining models enhances predictive results.

Applicants 'claimed "recalculating of scores" based on additional criteria is interpreted equivalent to combining scores, per population member, obtained based on additional segmentation models, to obtain a composite score, such as disclosed by the BMA article or Fleet Financial . Thus, it would have been obvious to one skilled in the art to recalculate each consumer score as claimed , for enhanced segmentation (predictive) results, as disclosed in the BMA article .

Also note that Walker/534 also discloses continuous updating of transaction history (equal to scoring) to send new incentives. The "Godin article", above, also discloses continued updating for better message targeting.

Thus based on the above discussion of prior art, all Applicants' claims involving recalculating of scores for segmentation purposes, at least claims 75, 17-20, 39-40, 22-25, 27-32, 42-46, 47, 52-56, are rejected, as to those limitations.

c) **As to the criteria defining each additional segmentation model (to recalculate the score) , user traits that have been traditionally monitored and used as criteria include:**

c1) **Segmenting per product, each product being a model is old.**

(see e.g. Walker/534 , col 8 first para.; Deaton, US 5592560, re. targeted incentives based on specific products bought) Thus it would have been obvious to organize the database per categories of products to facilitate searching /matching and therefore segmenting. Claim 4 is rejected on this basis.

> Claim 4. The method as defined in claim 1, further comprising the step of categorizing of purchases listed from a plurality of independent third parties in the proof of purchase records based on at least one category; and calculating at least one score for a buyer entity based on the amount purchased in one or more selected categories; and entering the score for the buyer entity in the data base
>
> (In Walker scores are calculated based on which rewards are set, col. 7, col 8 l. 55-61; and those scores can be based on purchase categories, col 8 l. 1-7; thus the claimed steps are obvious in Walker to allow the implementation of the Walker system).

As to claims 8-9, 12-14

It is further obvious the Walker system can be applied to a system for sending incentives from different parties selling different categories of goods/services to extend the teachings of Walker to those settings since data mining for targeted incentives sending as applied to categories of products/ etc.. is well-known. (see e.g. Deaton above)

In that case it is obvious to sort the database by categories of goods/ services/third party providers, the user preferences input as to categories entered accordingly , the search conducted accordingly, and the targeted group defined and incentives sent out accordingly .

As to claims 8-9, Walker discloses input by user of preferences as to types of rewards, col 9,l. 1st paragraph, searched accordingly (inherently) , and therefore it is obvious that merchant categories can be substituted as user preferences, in view of the state of the targeting art to accommodate the user preferences as taught by Walker. It is also obvious an indication of a threshold of incentive acceptable to the user can be added as customer satisfaction enhancement (claim 9) .

c2) Segmenting per Amount spent per category is old .
(Walker discloses a database of POP's based on categories and amounts spent per categories, col 7 and 8; "size and types of purchases and spending categories" , col 8 first para., scores based on those, (claim 13) and also composite score based on a number of characteristics(see col 8 l. 53-61) (Claim 14). (Walker does not explicitly disclose that the composite score is a function of the separate scores per category, however it is known each category can be a model and an score calculated for each category) .

Thus, Applicants' claims 4, 5, 12, 13 , 14 (composite score for all the categories), are rejected on this basis.

c3) Segmenting per past and present transactions is old .
(See e.g. Walker /534, col 7 and 8 (past purchases); Fig 6 and associated text: tracks POP's , performance level (recalculated score) to set new incentive based on latest performance score;
Also see e.g., Dedrich 5717923 monitors user activity to update profile, abstract;
Ng , WO 00/62184, 10, 11, purchases and click streams are monitored for targeting.)

Thus, Applicants' claims: 17, 39-40 : updating of new and additional POP's are rejected on this basis.

c4) Segmenting based on whether the buyer accepts an incentive is old
(Walker discloses monitoring performance. Performing at the desired level is equal to accepting the incentive conditioned on the performance level). Thus claims 10, 47 are rejected on that basis.

(e.g. Claim 10. The method as defined in claim 1, further comprising the steps of obtaining information on whether one of the buyer entities accepted the incentive; and inputting this information to the database.(Walker, col 9 l. 40-67, monitoring transactions against performance target= if target exceeded , customer has accepted)

c5) Segmenting based on whether one of the buyer entities made a follow-up purchase or a co-purchase contemporaneous with or after accepting an incentive is old
(see e.g., Ng p. 4, 5, 10; Walker et al, US 641526, Fig 15B)
Thus Applicants' claims 10, 11, 12, 42 , 62 are rejected on this basis.

c6) Segmenting based on whether one of the buyer entities view a website is old
(see e.g., Ng , WO 00/62184, 10, 11, purchases and click streams are monitored for targeting;
Gardenswartz, US 6055573 A)
thus Applicants' claim 52 is rejected on that basis.

c7) Segmenting based on non-purchase information from third parties is old
(thus Applicants' claim 27 is rejected on that basis)
See e.g. Walker /534 , col 7 l. 58 et seq. to col 8 , e.g. annual income ; data mining articles about sharing demographics and other information).

As to claims 28 and 29, dependent on claim 27, demographics information is obvious (see claim 3) and explicit authorization form buyers to access such information is obvious in view of the permission-based marketing principles discussed earlier.

Thus, it would have been obvious to one skilled in the art to use the above segmenting criteria, such as disclosed by the references above, to define the models because such criteria are well-known predictive criteria that traditionally have been monitored .

III) Further, criteria for setting the incentive and when to deliver the incentive, such as the following , are old.
See e.g. "Walker 534".

a)   Setting Incentive based on the calculated score is old,,
(Walker /534, abstract, conditions of rewards and therefore rewards, are based on past and current performance levels which are interpreted as scores)

b)   Criteria: Purchases of a particular product or service and /or Amount spent/category:
(see e.g., admitted art, Scroggie, 5970469, Walker /534, col 7 and 8 behavior scores) Thus claim 5 is rejected on this basis.

c)   Criteria: Min purchase amount/category and /or min times of buying of the goods, over predetermined time period
(Walker /534, col 7 and 8 quarterly charge volume, number of transactions/month). Thus claims 60, 61, 74 are rejected on this basis.

d)   Criteria: Buyer indicates merchant category preferences (Walker /534, at col 9 1st para., discloses buyer indicates rewards preferences(i.e. showing willingness to receive incentives) , by e-input, including mileage reward preferences, i.e. merchant category preferences). Thus claims 8 (willingness), 58, 59 (e-input) are rejected on this basis. Further it is obvious that Buyers can be given the choice to indicate min acceptable incentive to enhance customer interest/satisfaction . Thus claim 9 is rejected on this basis.

As to claims 18-20, and claims that have parallel limitation, i.e. claims 23-25, 30-32, 43-45,48, 53-55, 77-79, Walker /534 discloses if a buyer is Qualified for an Ongoing Incentive based on the recalculated score (claims 18, 23, 30 ; 43, 48, 53, 77) (abstract:, if attain first level, receive on-going offered reward,; monitor performance to determine if qualifying for the presently offered incentive, Fig 6 and associated text)

Providing a plurality of incentives sent from different advertisers to a buyer through a common system is known (see e.g., Ng, Scroggie, cited by Applicant; also Dedrich) and determining a sequence for delivering the plural awards based on the buyers' score is known (see e.g. Capek et al , US 6094677, "the insertions provided to the client 24 may also be tied to one another as in a sequence of advertisements . In this case, during an instance of the present invention, a sequence of insertions may have been determined to be <u>appropriate</u>
<u>for a particular client</u> 24 and one of the insertions within the sequence provided to the client 24 in that instance by the insertion manager 20"). .

Thus claims 15, 20, 25, 32, 45, 50, 55, 79 are rejected on this basis.

As to claims 19, 24, 31, 34, 44, 49, 54, 57, 78 , Walker/534 discloses recalculating the incentive determined in said incentive providing step by applying said recalculated score of said one of the buyer entities to an incentive function."(Fig 6 and associated text).

As to claims 16, 21,26 , 33,46, 51, 56, that the plurality of incentives are provided across a plurality of distribution channels after segmentation is obvious. Motivation to combine: to provide wide spread ways of delivery of incentives.

As to Claim 75. Walker discloses continuous updating of the database and continuous recalculating of the scores

As to claims 5, 15 and the likes (20, 25, 32, 45, 55, 79); claim 35,63 (cookie on incentive to monitor) ; 64-65 (rating products) 66-68 ;69 (compare POP to third parties (3P) source databases (db) and entering only valid ones)

Walker does not specifically disclose those. However, some of the above cited art may disclose the additional limitation, or, those additional limitations are well-known in the marketing arts before alleged invention time.

It is obvious to add these features to the Walker system modified as discussed above, to expand the capabilities of the data mining/ad and incentives targeting system , a goal well disclosed in the art.

Any other enhancing feature discussed above or below, and not specifically or individually addressed , are also obvious to be added to the modified Walker system for the same enhancing reasons, as all these teachings can be found the data mining/ marketing arts.

As to Claim 41, Dedrich discloses calculating a fee based on the scores of the buyers who were provided the incentive (col 5 l. 20-30, "consumer scale")

Charging advertisers for delivering a target group of customers is old. Dedrich., 5717923, Fig 7b and associated text, item 218) . Thus Applicants' claims 66-68 , re. charging for providing the incentive to the targeted group are rejected on this basis.

Claims 35: sending a buyer's profile to a 3P (e.g. Dedrich, Fig 6B, step 120) after receiving authorization of the buyer is obvious in view of the prior art as discussed above. It is further obvious such profile can be quantified as a score as the technique known in the art. (see e.g. Walker, Dedrich).

Claim 69: Walker verifies the validity of the POPs to allow progressive incentives. Comparing POP's submitted by buyers to 3P source databases and entering only valid ones would have been obvious since actual POPs are valuable in an incentive system such as taught by Walker, thus one skilled in the art would have known to include such verification in a system such as Walker modified further by explicit authorization by the buyers.

As to Claim 63, the use of cookies on incentives to monitor activity as to incentive is known and obvious to be included in the Walker system as modified as discussed above to permit on-line monitoring as known in the art before invention time.

As to Claim 70, the use of cookies to score, and located on buyer computer accessible by others, is known at invention time, and obvious to be used to ease monitoring. It is further obvious such score may be done per category bought to further the particular data mining goal.

As to claims 64 and 65, rating the product as claimed is old in the art and obvious to incorporate to enhance the data mining capabilities.

Apparatus Claims 94- 111,117-125, 129-160,164-165 which parallel method claims 1-21, 27-35, 39-70,74-75 are rejected on the same basis.

Conclusion

19.   The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Gardenswartz et al, US 6298330 B, discloses Communicating with a computer based on the offline purchase history of a particular consumer, including interactive TV systems, at cols 6 and 7.

Kramer et al, US 6327574 B1 discloses
A system and method provide for the interpretation and augmenting of structured documents electronically delivered to an individual consumer's computer using consumer profiles developed from and maintained with information reflecting the consumer's online and offline transactions, by selecting the variable content alternatives encoded in the structured documents that most closely match the consumer's profile. The consumer profiles are logically controlled by the consumer's computer, thus providing for enhanced security over information that is personal and confidential to the consumer, yet still

allowing third parties such as web sites and others electronically delivering
structured documents to the consumer to have such documents customized based on
the consumer's profile. The consumer profile includes hierarchical attribute
vectors which encode attributes of a consumer at progressively higher levels of
abstraction, and allowing for querying of any combination of abstracted data or
abstracted attributes of a consumer. The consumer profiles are updated with a
process that reflects the relevance of each transaction to the consumer's
profile, and accommodates a decay in the influence of transactions over time.
A selection process for selecting content allows for multiple items of content
to be selected for sequenced display to the consumer, through a limited
presentation space. (Kramer also discloses use of interactive TV).

20. Any inquiry concerning this communication or earlier communications from the
examiner should be directed to Khanh H. Le whose telephone number is 703-305-0571. The
Examiner works a part-time schedule and can normally be reached on Tuesday-Thursday 9:00-
6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's
supervisor, Eric Stamber can be reached on 703-305-8469. The fax phone numbers for the
organization where this application or proceeding is assigned are 703-872-9326 for regular
communications and 703-872-9327 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding
should be directed to the receptionist whose telephone number is 703-308-1113.

September 6, 2002

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